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Attorney for Jeri Coppa-Knudson, Trustee

**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEVADA**

IN RE: CASE NO. BK-N-14-50333-BTB  
ANTHONY THOMAS and CASE NO. BK-N-14-50331-BTB  
WENDI THOMAS,  
(Jointly Administered)  
AT EMERALD, LLC, CHAPTER 7  
Debtors.

**DECLARATION OF JEFFREY L.  
HARTMAN IN SUPPORT OF  
TRUSTEE'S REPLY TO DEBTORS'  
OPPOSITION TO MOTION FOR ORDER  
CONFIRMING SALE BY AUCTION;  
REQUEST FOR APPROVAL OF  
PAYMENT OF COMMISSION TO  
STREMMEL AUCTIONS**

**REQUEST TO DISREGARD LATE FILED  
OPPOSITION**

**Hearing Date: March 22, 2019**  
**Hearing Time: 10:00 a.m.**

\_\_\_\_\_  
Jeffrey L. Hartman, under penalty of perjury of the laws of the United States,  
declares:

1. I am a member in good standing of the State Bar of Nevada and represent the chapter 7 trustee in this case. I have personal knowledge of the matters stated herein.
2. The Trustee and I had e-mail exchanges and some phone calls with Overstock.com representatives ("Overstock"), regarding possible marketing of the Emerald claimed by the Debtor to be worth \$200,000,000.
3. On December 30, 2014, the Trustee and I received a proposed Marketing Services

1 Agreement (“MSA”) from Stanton Huntington, Associate General Counsel for Overstock.  
2 A copy of the e-mail from Mr. Huntington, together with the draft MSA, is attached as  
3 **Exhibit A**. The Trustee’s primary problems with the MSA were the Expenses and the  
4 Expense Budget, found at page 2 of the MSA. Under that provision, the Trustee would be  
5 responsible to reimburse Overstock for all expenses as defined in the MSA. The initial  
6 budget for expenses was set at \$250,000.

7 4. These jointly administered estates are administratively insolvent and the Trustee  
8 would not have been in a position to agree to be responsible for expenses of this magnitude,  
9 particularly in light of the fact that the Trustee had no way of knowing the actual value of  
10 the Emerald.

11 5. The MSA also provided that Overstock would essentially be entitled to  
12 superpriority status under § 364(c) with respect to its commission and expenses. The  
13 Trustee concluded that she could not enter into such an agreement.

14 6. The initial MSA was followed by an amended version on March 18, 2015.  
15 **Exhibit B**. This version of the MSA included a new provision that “Upon sale of the  
16 Emerald, expiration or termination of this Agreement for any reason”, Overstock would be  
17 entitled to reimbursement for expenses. This revision also made clear that the Estate, and  
18 not the Trustee, would be liable for expenses.

19 7. A third version of the MSA followed on March 24, 2015. **Exhibit C**. This third  
20 version continued to include the provisions binding the estate for as much as \$250,000 in  
21 expenses.

22 8. Utilizing her business judgment, the Trustee determined the chapter 7 estate could  
23 not take on such an obligation.

24 9. At the time I filed the Motion For Order Confirming Sale By Auction; Request  
25 For Approval Of Payment Of Commission To Stremmel Auctions, neither the Trustee nor I  
26 had any knowledge of the purchaser Jennifer Jodoin and her purported connection to Mr.  
27 Tersini. I learned of the connection in the e-mail from Mr. Thomas on December 5, 2018.

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10. On Tuesday March 12, 2019, I received an e-mail from Paul Mula, an individual unknown to me, which included as an enclosure the Notice Of Motion For Judicial Notice of Law And Facts [FRE201].” Also attached to the e-mail from Mr. Mula was a paper titled Opposition To Sale Of Thomas Emerald. A Declaration of Paul S. Mula In Support Of Opposition To Pay Auctioneer Stremmel Auctioneers For Fraud Upon The Court with 29 pages of exhibits and a Declaration of Anthony Thomas In Support Of Opposition To Sale Of Emerald For Fraud Upon The Court Request For Judicial Notice Of Law And Facts with 93 pages of exhibits. Although the papers include a Certificate of Service indicating that the papers were e-mail to me on March 8, 2019, that is not the case. A copy of my e-mail receipt is attached hereto as **Exhibit D**. **Exhibit D** shows receipt of the e-mail at 4:20 p.m. on Tuesday March 12, 2019. The same papers arrived by Priority Mail on March 14, 2019. The Priority Mail envelope shows it was mailed from San Jose, California on March 12, 2019. **Exhibit E**.

11. I have checked my inbox for [jlh@bankruptcyreno.com](mailto:jlh@bankruptcyreno.com) for March 8, 2019 and it show no e-mails from Paul Mula. **Exhibit F**. I have checked my deleted files directory for March 8, 2019 and it shows no e-mails from Paul Mula as having been deleted. **Exhibit G**.

12. The first I became aware of Thomas’s Notice Of Motion For Judicial Notice of Law And Facts [FRE201] and Opposition To Sale Of Thomas Emerald, the Declaration of Paul S. Mula In Support Of Opposition To Pay Auctioneer Stremmel Auctioneers For Fraud Upon The Court, was Tuesday March 12, 2019 at 4:20 p.m. by way of Mr. Mula’s e-mail and by Priority Mail on that same date.

/S/ Jeffrey L. Hartman  
Jeffrey L. Hartman